

Agenda Date: 02/02/00



STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

I/M/O THE ENERGY MASTER PLAN }
PHASE II PROCEEDING TO }
INVESTIGATE THE FUTURE }
STRUCTURE OF THE ELECTRIC }
POWER INDUSTRY }

ENERGY

DOCKET NOS. EX94120585Y et.al.

(Service List Attached)

By the Board:

At its agenda meeting of February 2, 2000, the Board considered a recommendation from the Data Exchange and Protocol Working Group (Working Group) to provide historical customer usage data, electronically, to parties other than licensed suppliers. By Order dated July 15, 1999, the Board has previously approved the electronic release of customer usage data to licensed suppliers provided that the supplier had obtained the customer's written authorization for the utility to release this information. This enables licensed suppliers to, among other things, obtain a customer's historical usage electronically prior to enrollment in order to provide the most competitive offer to the customer. Electronic transfer of such data is extremely useful in dealing with larger commercial and industrial accounts where multiple facilities and/or multiple meters may exist. The electronic transfer of data (EDI) is also an important feature when a supplier is marketing to large numbers of customers, so that manual manipulation of data is minimized or eliminated. Thereby resulting in lower marketing and customer costs. At the current time, electronic data transfer is only available to licensed suppliers.

A group of energy consulting firms, including OnSite Sycom, Gabel Associates and Gibbons/ Columbia, offer consulting services to existing and/or potential customer aggregation pools. As part of their service, they summarize and analyze the customer's historical usage. For these consulting firms, the current method for obtaining customer usage involves faxing the electric distribution company (EDC) a signed request form for each customer; having the EDC representative manually retrieve the data and either

e-mailing, faxing or mailing it to the consultant. This takes longer, is much more labor intensive and is less reliable than EDI. This methodology also provides the consultant with the customer's data in a form that still needs to be manually entered into a computer file.

The three consulting firms mentioned above approached the Data Exchange and Protocol Working Group to explore the possibility of providing entities, other than licensed suppliers, with access to customer usage

through the EDI process. After considerable discussion, a proposal was drafted for the Board's consideration, which has the full support of the Working Group.

The attached proposal labels this category of non-licensed entities as "Energy Consultants" and has requirements that are a mix of the currently existing Energy Agent and Power Supplier Standards. Similar to the requirements for an Energy Agent, the proposal requires these parties to register with the Board. In addition to registration requirements, Energy Consultants would be expected to post a bond, execute a TPS-type agreement with the EDC and pass current EDI testing requirements, similar to currently licensed suppliers. The "Energy Consultant" category would be created as a subset and option of the current Energy Agent application process. In this way the Energy Agent registration process could be used to register Energy Consultants. However, Energy Agents would not be required to meet the additional, above described, Energy Consultant requirements.

The Working Group has also finalized an EDC/Energy Consultant Agreement, similar to the Board-approved EDC/Third Party Supplier Agreement, which would define the business relationship between the utility and the Energy Consultant, and include the general terms and conditions, confidentiality requirements and a fee schedule. In arriving at the EDC/Energy Consultant Agreement, the Working Group was able to reach agreement on the condition that the fee schedule was subject to further review by the parties after one year.

On January 4, 2000, the Division of the Ratepayer Advocate filed a letter with the Board indicating that they did not oppose creation of the Energy Consultant category or adoption of the generic EDC/Energy Consultant Agreement, provided that the fee schedule was the subject of further review after one year.

Having reviewed the recommendations of the Working Group, the Board FINDS that:

1. providing customer usage electronically to registered energy consulting entities, with the customer's prior written authorization, under Board approved rules and regulations, fills a need of the marketplace;
2. the proposed regulations for registering as an Energy Consultant are reasonable and protect consumer interests;
3. the generic EDC/Energy Consultant Agreement (attached hereto) is reasonable; and
4. the fee schedule of the EDC/Energy Consultant Agreement should be subject to further review by the parties after one year.

For the foregoing reasons, and because current Energy Agent Standards are interim and need to be reviewed and finalized in 2000, at which time the Board will have an opportunity to take public comment and revisit the Energy Consultant issue, the Board ACCEPTS the Working Group recommendations on an interim basis and ORDERS the creation of an Energy Consultant title as a subset of the Energy Agent category, subject to the rules and regulations attached hereto. Furthermore, we ACCEPT the generic EDC/Energy Consultant Agreement, attached hereto as Attachment B, with the fee schedule in Appendix A of said Agreement subject to further review one year from the effective date of this Order. We FURTHER DIRECT Staff to modify the Energy Agent registration form to accommodate the Energy Consultant category. Finally, the Energy Consultant's rights and obligations shall also be applicable to the natural gas industry, if and when that industry implements EDI.

DATED: 3/1/00

BOARD OF PUBLIC UTILITIES
BY:

SIGNED
HERBERT H. TATE
PRESIDENT

____SIGNED____
CARMEN J. ARMENTI
COMMISSIONER

____SIGNED____
FREDERICK F. BUTLER
COMMISSIONER

ATTEST: ____SIGNED____
EDWARD D. BESLOW
ACTING SECRETARY